

AMENDED IN ASSEMBLY APRIL 3, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 306**

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**Introduced by Assembly Member Kehoe**  
**(Coauthors: Assembly Members Hancock, Harman, Laird, and**  
**Nation)**  
**(Coauthors: Senators Alpert and Romero)**

February 6, 2003

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An act to amend Section 521 of, and to ~~repeal and add Section 523~~  
~~of add Section 523.5 to~~, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 306, as amended, Kehoe. Water meters.

Existing law requires the installation of a water meter as a condition of water service provided pursuant to a connection installed on and after January 1, 1992. Existing law declares that the state goal for measurement of water use is the achievement, on or before January 1, 1992, of the installation of water meters on all new water service connections after that date to systems owned or operated by a water purveyor.

This bill would ~~repeal the provision relating to the state goal for water measurement. The bill would require a water purveyor~~ *require certain water purveyors*, on or before January 1, 2008, to install ~~a water meter on service connections to residential and nonagricultural commercial buildings~~ *water meters on all service connections* constructed prior to January 1, 1992, ~~that are located in their service area.~~

The bill would require a water purveyor, on and after January 1, 2009, but subject to a certain exception, to charge customers for water based

on the actual volume of deliveries, as measured by a water meter. The bill, on or before January 1, 2009, would require a water purveyor that applies for financial assistance from the state for a wastewater treatment project or a ~~water-use~~ water-use efficiency project, or a permit for a new or expanded water supply, to demonstrate that the applicant charges customers in accordance with that requirement. *The bill would also authorize a water purveyor to recover the cost of providing services related to the purchase and installation of a water meter from rates, fees, or charges. The bill would authorize a water purveyor that adopts a water meter installation program after January 1, 2003, and that is unable to charge customers for water based on actual volume of deliveries to request an extension of time from the Department of Water Resources, not later than January 1, 2007. The bill authorizes the department to grant an extension of time not extending beyond January 1, 2013, under specified circumstances. The bill would authorize an urban water supplier to implement measures to comply with these new requirements. The bill would permit a water purveyor that does not meet the definition of urban water supplier, but that attains that status subsequent to the effective date of this bill, eight years, commencing on January 1 of the first full year it meets the definition of urban water supplier, to fully comply with the bill's requirements.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 521 of the Water Code is amended to
- 2 read:
- 3 521. (a) The Legislature further finds and declares that water
- 4 furnished or used without any method of determination of the
- 5 quantities of water used by the person to whom the water is
- 6 furnished has caused, and will continue to cause, waste and
- 7 unreasonable use of water, and that this waste and unreasonable
- 8 use should be identified, isolated, and eliminated.
- 9 (b) Water metering and volumetric pricing are among the most
- 10 efficient conservation tools, providing information on how much
- 11 water is being used and pricing to encourage conservation.
- 12 (c) Without water meters it is impossible for homeowners and
- 13 businesses to know how much water they are using, thereby



1 inhibiting conservation, punishing those who conserve, and  
2 rewarding those who waste water.

3 (d) Existing law requires the installation of a water meter as a  
4 condition of water service provided pursuant to a connection  
5 installed on or after January 1, 1992, but the continuing  
6 widespread absence of water meters and the lack of volumetric  
7 ~~pricing is a wasteful and unreasonable use of the state's water.~~  
8 *pricing could result in the inefficient use of water for municipal*  
9 *and industrial uses.*

10 (e) *This chapter pertaining to water measurement deals with a*  
11 *subject matter of statewide concern, and it is the intent of the*  
12 *Legislature that upon enactment, it supercede and preempt all*  
13 *enactments of all counties, cities, and other local public agencies*  
14 *regarding matters set forth in this chapter.*

15 ~~SEC. 2. Section 523 of the Water Code is repealed.~~

16 ~~SEC. 3. Section 523~~

17 SEC. 2. Section 523.5 is added to the Water Code, to read:

18 ~~523. (a) On or before January 1, 2008, a water purveyor shall~~  
19 ~~install a water meter on service connections to all residential and~~  
20 ~~nonagricultural commercial buildings constructed prior to January~~  
21 ~~1, 1992, in their service area.~~

22 523.5. (a) *On or before January 1, 2008, water purveyors*  
23 *operating community water supply systems meeting the definition*  
24 *of an urban water supplier pursuant to Section 10617 shall install*  
25 *water meters on all service connections constructed prior to*  
26 *January 1, 1992, located within their service area.*

27 (b) Unless a contract that was executed prior to January 1,  
28 2004, provides otherwise, on and after January 1, 2009, a water  
29 purveyor shall charge customers for water based on the actual  
30 volume of deliveries, as measured by a water meter.

31 (c) On and after January 1, 2009, a water purveyor that applies  
32 for financial assistance from the state for a wastewater treatment  
33 project or a ~~water-use~~ *water-use* efficiency project, or for a permit  
34 for a new or expanded water supply, shall demonstrate that the  
35 applicant meets the requirements of subdivision (b).

36 (d) *A water purveyor may recover the cost of providing services*  
37 *related to the purchase and installation of a water meter from*  
38 *rates, fees, or charges.*

39 (e) *A water purveyor that adopts a water meter installation*  
40 *program after January 1, 2003, that is unable to meet the*

1 requirements of subdivision (b) may request, not later than  
2 January 1, 2007, an extension of time from the Department of  
3 Water Resources. The department may grant an extension of time  
4 based upon a determination that the water purveyor has made  
5 reasonable progress toward meeting the requirements of  
6 subdivision (b). An extension of time may not extend beyond  
7 January 1, 2013.

8 (f) An urban water supplier, notwithstanding any other local  
9 ordinances, has the authority to implement measures to comply  
10 with this section when this section becomes effective.

11 (g) A water purveyor that does not meet the definition of urban  
12 water supplier by the effective date of the statute, but that attains  
13 that status subsequent to the effective date of the statute, shall have  
14 eight years, commencing on January 1 of the first full year it meets  
15 the definition of urban water supplier, to fully comply with this  
16 section.

